

## Message Text

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PAGE 01 GENEVA 05058 221901Z  
ACTION IO-14

INFO OCT-01 EUR-12 EA-07 ISO-00 DEAE-00 CIAE-00 INR-07  
JUSE-00 NSAE-00 SNM-02 TRSE-00 USIA-06 NSC-05  
OES-07 OMB-01 SS-15 HEW-04 DODE-00 L-03 AID-05  
/089 W

-----045525 222319Z /61

R 221505Z JUN 77  
FM USMISSION GENEVA  
TO SECSTATE WASHDC 8488  
INFO AMEMBASSY BANGKOK  
AMEMBASSY BUCHAREST  
AMEMBASSY RANGOON  
AMEMBASSY SOFIA  
AMEMBASSY VIENTIANE

C O N F I D E N T I A L GENEVA 5058

EO 11652: GDS  
TAGS: SNAR, UN, LA, BU, IHU, VM  
SUBJ: UN/LAOS NARCOTICS DEVELOPMENTS

REF: A. GENEVA 4600 (NOTAL), B. GENEVA 4471 (NOTAL),  
C. VIENTIANE 855 (NOTAL), D. VIENTIANE 696 (NOTAL)

SUMMARY: UNFDAC HAS DECIDED TO OFFER NARCOTICS CONTROL  
PROGRAM TO LAOS, SUBJECT TO SATISFACTORY RESOLUTION OF OPIUM  
PROCESSING AND EXPORT PROBLEMS. STEPS HAVE BEEN TAKEN TO  
RESOLVE SOME OF THESE PROBLEMS. END SUMMARY.

1. MR. FRED MACKENZIE, UNFDAC OFFICIAL, INFORMED MISSION  
OFFICER THAT UNFDAC HAS DECIDED TO OFFER LPDR \$350,000 FOR  
PRELIMINARY PHASE OF NARCOTICS CONTROL PROGRAM, WITH LEVEL  
OF FINANCING TO BE REVIEWED EARLY 1979. PROGRAM TO INCLUDE  
\$165,000 FOR REHABILITATION AT KILOMETER 62 AND \$185,000  
FOR CROP SUBSTITUTION PROJECT IN AREA TO BE SELECTED.

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PAGE 02 GENEVA 05058 221901Z

2. MACKENZIE SAID OFFER IS SUBJECT TO RESOLUTION, SATIS-  
FACTORY TO UNFDAC, OF PROBLEMS POSED BY WHO ASSISTANCE  
TO LPDR IN PREPARING FEASIBILITY STUDY FOR PHARMACEUTICAL  
PROCESSING PLANT IN LAOS (IN WHICH HUNGARIANS HAVE SHOWN  
INTEREST), AND BY BULGARIAN INTERESTS IN HELPING LPDR  
BUILD ALKALOIDS FACTORY AND IN IMPORTING 3 OR 4 TONS OF  
OPIUM FROM LASO. MACKENZIE EXPLAINED "SATISFACTORY

RESOLUTION" MEANT ONE WHICH WOULD BE CONSISTENT WITH LPDR POLICY TO ELIMINATE OPIUM PRODUCTION, WHICH WOULD BE ONLY CONDITION UNDER WHICH FUND COULD CONTINUE PROGRAM.

3. CONCERNING WHO PROJECT, DR LING (DND DIRECTOR) AND MR MACKENZIE INFORMED MISSION OFFICER THAT UN NARCOTICS ORGANIZATIONS AND WHO RECENTLY HELD JOINT 3-HOUR MEETING ATTENDED BY DR LACLERCQ, WHO REPRESENTATIVE IN VIENTIANE REPORTEDLY PROMOTING PHARMACEUTICAL FACTORY CONCEPT. NARCOTICS CONTROL OFFICIALS DESCRIBED MEETING AS AMICABLE AND ITS RESULTS PRODUCTIVE. THEY BELIEVED THAT AS RESULT OF MEETING, THEY WILL HAVE OPPORTUNITY TO BRIEF WHO STAFF MEMBER SCHEDULED TO PREPARE FEASIBILITY STUDY ON PHARMACEUTICAL PLANT CONCERNING IMPLICATIONS OF OPIUM PROCESSING UNDER INTER-NATIONAL NARCOTICS CONTROL SYSTEM. THEY UNDERSTOOD THAT HE WILL TELL LPDR THAT HE WILL INVESTIGATE FEASIBILITY OF PROCESSING ALL LOCAL MEDICINAL RAW MATERIALS EXCEPT REPEAT EXCEPT OPIUM.

4. IN RELATED MATTER, MR STEPCZYNSKI (SECRETARY, INCB) CONFIRMED REPORT REF D PARA 8 THAT OF TWO HUNGARIAN OFFICIALS INVOLVED IN PHARMACEUTICAL PLANT PREPARATION, ONE WITHDREW AND OTHER DEVELOPED AN ILLNESS HE DESCRIBED AS "DIPLOMATIC." HE INTERPRETED THESE DEVELOPMENTS TO MEAN THAT HUNGARIANS HAVE LOST INTEREST AND WILL NOT CONFIDENTIAL

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PAGE 03 GENEVA 05058 221901Z

PROMOTE CONCEPT FURTHER.

5. WITH RESPECT TO BULGARIAN INTEREST IN ESTABLISHING ALKALOIDS FACTORY IN LAOS, (REF D PARA 3), MR STEPCZYNSKI STATED HIS BELIEF THAT ESTABLISHMENT OF ANY OPIUM PROCESSING FACILITY IN LAOS WOULD BE SERIOUSLY IN CONFLICT WITH GOAL, SUPPORTED BY INCB, OF ELIMINATING OPIUM CULTIVATION IN LAOS WITHIN FIVE YEARS. HE INFORMED MISSION OFFICER THAT HE HAS HAD SEVERAL DISCUSSIONS THIS TOPIC WITH BULGARIAN MISSION IN GENEVA AND HE NOW BELIEVES BULGARIANS ARE NOT INTERESTED IN BUILDING FACTORY. ALTHOUGH HE DID NOT DISCLOSE DETAILS OF HIS TALKS WITH BULGARIANS, HE REPORTED HE HAD ALSO TALKED TO LAOTIAN MINISTER OF HEALTH OPPOSING CONCEPT OF FACTORY, STRESSING ECONOMIC WASTE INVOLVED IN LARGE INVESTMENT FOR SMALL VOLUME OF PRODUCTION.

6. CONCERNING BULGARIAN INTEREST IN IMPORTING 3 TO 4 TONS OF OPIUM FROM LAOS, MR STEPCZYNSKI MAINTAINED HIS POSITION, REPORTED REF B, THAT BULGARIA CAN CONDUCT SUCH IMPORTS SO LONG AS AMOUNTS FALL WITHIN ITS ESTIMATED REQUIREMENTS REPORTED TO INCB AND LPDR DESIGNATES ITS

EXPORTS AS SEIZED OPIUM. HE STILL BELIEVED INTER-NATIONAL CONTROL SYSTEM BEST SERVED BY QUICKLY CONSUMING ANY OPIUM STOCKS LPDR MAY PROCESS, TO PREVENT THEIR DIVERSION INTO ILLICIT TRAFFIC AND THEIR SERVING AS INCENTIVE TO CONSTRUCTION OF FACTORY.

7. DR LING, HOWEVER, IS STRONGLY OPPOSED TO LAOTIAN DESIGNATION OF OPIUM AS SEIZED UNLESS IT PROVIDES DESCRIPTION OF SEIZURES (DATE, PLACE, AMOUNTS, PERSONS INVOLVED, ETC). HE INFORMED MISSION OFFICER THAT HE HAS MADE HIS VIEWS KNOWN WITHIN UN CIRCLES. HE ADDED THAT HE ALSO EXPRESSED THEM TO CHIEF OF VIETNAMESE DELEGATION DURING PRIVATE CONVERSATION (OUTSIDE MEETING REPORTED REF A), WHEN LATTER ADVERTED TO PROSPECTIVE CONFIDENTIAL

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PAGE 04 GENEVA 05058 221901Z

LAOTIAN SALE TO BULGARIA AND POSSIBILITY OF VIETNAM MAKING SIMILAR SALES. DR LING SAID HE DOES NOT KNOW WHETHER THERE IS ANY CONNECTION BETWEEN HIS STANCE ON THIS SUBJECT AND CABLED INVITATION HE RECENTLY RECEIVED FROM DEPUTY DIRECTOR JORDAN KEREMIDTCHISKY OF BULGARIAN CUSTOMS FOR LING AND DND LEGAL ADVISER NOLL TO VISIT SOPHIA IN MID-JULY TO EXCHANGE OPINIONS ON NARCOTICS MATTERS. BOTH HAVE ACCEPTED INVITATION AND TENTATIVELY PLAN SPEND WEEK OF JULY 11 IN BULGARIA.

8. COMMENT. IF LPDR ACCEPTS UNFDAC OFFER, PROGRAM WILL PROBABLY GET OFF TO RATHER SLOW SHAKY START. FOR THE MOMENT, HOWEVER, CONCERN EXPRESSED BY AMEMB VIENTIANE ABOUT POSSIBLE CLOSING OF UNFDAC OFFICE IN LPDR APPEARS TO BE ALLAYED. OTHER CONCERNS, ESPECIALLY RE LPDR OPIUM EXPORTS, WILL REQUIRE FURTHER MONITORING AND APPROPRIATE ACTION. EXISTENCE OF UNFDAC PROGRAM IN LAOS MAY PROVIDE SOME LEVERAGE IN DEALING WITH THESE PROBLEMS. SORENSON

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## Message Attributes

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